

Cold crimps natural-gas flow

The freezing wells and pipes in Colorado and surrounding states aren't expected to spur an increase in consumer bills.

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The Rocky Mountains' recent cold and snow have put a chill on natural- gas production.

Largely because of freezing equipment at wells and pipelines, gas production in Colorado, Wyoming, Utah and New Mexico dropped 10 percent in mid-January compared with typical levels, according to a report by Golden-based consultant Bentek Energy LLC.

The production drop extended nationwide, Bentek said, because of similarly cold weather in the south-central U.S. and maintenance curtailments around the Gulf of Mexico.

Nationwide, natural-gas production over the past two weeks dropped to the lowest level since the fall of 2005, when the energy industry was recovering from Hurricanes Katrina and Rita, according to Bentek's analysis of gas- pipeline flows.

Prices for consumers, however, are not expected to rise during the short- term supply disruption.

High levels of natural gas in underground storage facilities have allowed utilities and suppliers to make up the production shortfall with stored gas, said Porter Bennett, president and chief executive of Bentek.

"We expect most of this decline to be a short-term phenomenon," Bennett said.

Natural-gas firm Questar Exploration & Production lost some gas production recently in eastern Utah when temperatures dropped to as low as minus-35 degrees in some of its producing fields, said Jay Neese, a Denver- based executive vice president for Questar.

"We've seen some well freeze-offs and problems with compressors," he said. "There have definitely been weather-related problems for producers."

Neese said gas formations in the Rockies tend to produce more water than in other areas of the country. Heavy snows have prevented trucks from getting to wellheads to carry away excess water, causing some wells to shut down.

"You always plan for winter weather," he said, "but when you have a prolonged cold snap like we've had, then the problems get magnified."

Xcel Energy said it has seen higher prices recently in natural-gas purchases, but the utility hasn't determined whether the increase is related to production shortfalls.

Xcel reported earlier this month that natural-gas costs will rise from 59 cents per therm in January to 66 cents in February.

Despite the increase, residential heating bills are expected to go down from \$112 this month to \$93 next month because customers typically use less gas in February.

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